

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6390

BILL NUMBER: SB 321

NOTE PREPARED: Jan 3, 2012

BILL AMENDED:

SUBJECT: Transportation and logistics income tax credit.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: This bill provides an income tax credit for new expenditures made before January 1, 2019, by a taxpayer for one or more of the following purposes:

- (1) Implementing homeland security measures to comply with federal homeland security requirements, as certified by the Department of Homeland Security.
- (2) Making improvements to real property located in Indiana that are related to constructing a new or modernizing an existing transportation or logistical distribution facility.
- (3) Improving the transportation of goods by highway, rail, water, or air.
- (4) Making warehouse upgrades or improving logistical distribution.

The bill requires the Department of Homeland Security, in consultation with the Department of State Revenue, to adopt rules to implement a certification process for homeland security expenditures.

The bill provides that the amount of the credit for a taxable year is equal to: (1) 25%; multiplied by (2) the amount of the qualified expenditures made by the taxpayer during the taxable year minus the average annual qualified expenditures made by the taxpayer during the immediately preceding two years. It limits the credit that may be claimed for a taxable year to the taxpayer's state tax liability for that taxable year. It allows the taxpayer to carry over any unused credit for nine years. It also provides that the credit may not be refunded, carried back, or transferred to another taxpayer.

The bill limits the credit to \$25,000,000 for each state fiscal year, subject to the State Budget Committee reviewing an increase in the limit as proposed by the Director of the Office of Management and Budget. It also requires the Department of State Revenue to annually report to the State Budget Committee concerning the use of the credit, including summary information and the name and address of each taxpayer claiming

the credit and the credit amount claimed by each taxpayer.

Effective Date: January 1, 2013.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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